



State of Tennessee Department of Children's Services

## **Administrative Policies and Procedures: 3.3**

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### **Subject: Overpayments Made To Foster Care Parents**

Supersedes:

**Local Policy: No**

**Local Procedures: No**

**Training Required: No**

**Approved by:**

**Effective date: 10/01/98**

**Revision date:**

### **Application**

To All Program Operations and Fiscal Staff and Foster Care Parents.

**Authority:** TCA 9-4-604, TCA 37-5-112, Transfer Rules

### **Policy**

If overpayments have been made by the department to foster care parents, TCA 9-4-604 obligates the Department of Children's Services to recover foster care program overpayments. The department shall deduct from amounts that are or become due and payable to foster care parents under any contract between the foster care parents and the State of Tennessee.

It is the policy of the Department of Children's Services that overpayments are to be repaid to the department by direct reimbursement from the foster care parents or deduction from the bi-monthly (paid 2 times per month) foster care payment to the foster care parents.

### **Procedures**

#### **A. Notification of overpayments**

1. Foster parents are responsible for reporting any overpayments received immediately to their assigned residential case manager; or foster care parents are to be notified by their residential case manager as soon as the residential case manager is aware of an overpayment. The residential case manager is to provide the foster parents with the specific details causing the overpayment
2. Foster care parents are to be notified by letter from the department's fiscal staff when overpayments to foster care parents are identified and reported.

3. Identified and reported foster care overpayments are to be recorded by fiscal staff as accounts receivables in the department's financial records and any associated federal funds are to be adjusted.

**B. Repayments**

1. Foster care parents are expected to repay departmental overpayments either by:
  - ◆ Refunding the total amount of the overpayment, or
  - ◆ Reducing their bi-monthly foster care payment up to 50% depending on the amount of the overpayment.
2. The written notice must advise the foster care parents that their foster care payments will be reduced up to 50% depending on the amount of the overpayments.
3. Repayment checks or money orders are to be made payable to the Department of Children's Services.
4. The foster care parents may mail the repayment check or money order to the central fiscal office along with a copy of the overpayment notice or an explanation attached to the repayment check or money order.
5. If the foster care parents submit the repayment check to program operations staff, the check must be restrictively endorsed and deposited with a *State of Tennessee Deposit Slip* (form number FA 0772, Rev. 5-86) within 24 hours of receipt. A copy of the State of Tennessee deposit slip should be sent to the central fiscal office with a completed ChipFins adjustment form no later than once per week.

**Forms**

FA 0772      State of Tennessee Deposit Slip

**Collateral Documents**

*None*

**Standards**

None